${f proveq}$ For Release : CIA-RDP82-00457R000400280004- ${f 2}$ ${f C37}$ SHORNE 25X1A CONTROL OFFICIALS (CONFIDENT INTELLOFAX 25 CENTRAL INTELLIGENCE GROU INTELLIGENCE REPORT DATE: Brasil COUNTRY

SUBJECT Projected Action Against Communists DIST. Haroh 1947 LIBRARY CORNGES in Seo Paulo 25X1A SUPPLEMENT ORIGIN 25X1X

- 1. Eduardo Gabriel Saad, Director General of the Sao Paule Secretariat of Labor, intends to take action in the near future against certain labor syndicates which, contrary to the Consolidated Labor Code, contributed funds to the political campaign in the recent elections, and have participated in and supported extra-legal Communist labor organizations such as the Movimento Unificador dos Trabalhadores and the Confederação Geral dos Trabalhadores do Brazil. The Director General claims to have evidence of these activities involving the Sao Paulo bank employees, journalists, musicians and textile workers, the Santos port administration employees and stevedores, and the Sento Andre chemical workers and metal workers.
- 2. The plan of action proposed by Saad involves the removal of the present officers, who are almost all members of the Communist Party, and their replacement by individuals trusted by the Federal Ministry of Labor and the State Secretariat. It is feared by the Director General that this action may result in serious consequences, including a general strike, but he belongs to that group of government officials who believe that prompt action against Brasilian Communism is needed. Sead has discussed his plan with the Einister of Labor, to whom he reports, and the President's Civil Secretary, Jose Pereira Lira, both of whom approved, but has not as yet informed the state government of his intentions. His real objective is to create a situation in which the Communist party either will have to stand by idly while one of its vital positions is invaded, or take action that may precipitate a showdown with the federal government.

2<u>5X1A</u> comment: Subsequent to the original date of this report the Attorney General of the federal government has filed suit with the Electoral Supreme Court to have the Communist party declared illegal.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 13 October 1978 from the Director of Contral Intelligence to the Archivist of the United States. Next Review Date: 2008

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